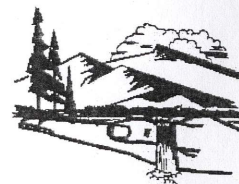




Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



Dave Freudenthal,
Governor

John Corra,
Director

October 29, 2008

Mr. Mike Hawks
WildHorse Energy, Inc.
P. O. Box 1118
Casper, WY 82601

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OCT 30 2008
LQD

RE: Drilling Notification No. 366DN, WildHorse Energy, Inc., October Inspection

Dear Mr. Hawks:

An inspection of Drilling Notification No. 366DN was conducted on October 28, 2008 to address compliance with Item 9 of the Settlement Agreement associated with Notice of Violation (NOV), Docket Number 4287-08. WildHorse Energy, Inc. (WHE) was required to scarify and seed all areas of disturbance related to the Winter 2007/2008 monitoring well installation program no later than October 31, 2008. The inspection was conducted in response to Kent Hill's letter of October 27, 2008 that stated all scarification and seeding at this site had been completed between October 21st and 22nd.

Inspection of the site indicated that areas around the following wells had been graded and seeded: (1) Well Nest 1 (4 wells), (2) Well Nest 2 (2 wells), (3) Well Nest 3 (4 wells), (4) Well Nest 4 (4 wells), WHED-5, WHED-6, WHED-7, WHEU-8, WHEU-9, and WHEB-11. All wells were found to have locking caps, with locks in place, and concrete pedestals that contained the Well I.D. number. In addition to the above work, the road located along the west side of the storage trailer had been reclaimed. The attached photos document the above work. One potential problem was noted during the inspection in Well Nest 1. It is understood during the completion of the various wells that circulation became a problem and in some instances holes were abandoned and redrilled. It appears that there has been settling in one of these abandoned holes to the point where there is a 10-inch void (approximate) at the surface underlain by a minimum of 15 inches of extremely soft material. While I am not asking for immediate remediation, this location should be inspected next Spring and corrective action implemented as required.

In closing, with this letter, I am terminating the Notice of Violation associated with Docket 4287-08 as WHE has honored all of its obligations under the Settlement Agreement. If you have any questions, please do not hesitate to contact me.

Respectfully,

Brian R. Wood
District II Hydrologist

Cc WyDEQ/LQD Cheyenne – Permit 366DN
Mark Moxley > WyDEQ/LQD Lander – Permit 366DN and NOV File
Becky Brosius, WyDEQ/LQD Cheyenne > NOV Docket Number 4287-08 file
John Kaminsky, BLM – Lander Field Office, P.O. Box 589, Lander, WY, 82520
Brian Wood, Chron File

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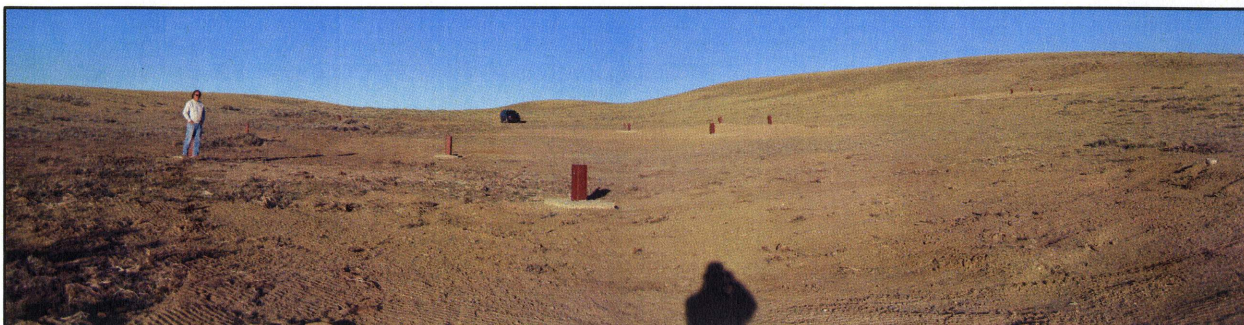


Photo (above) looks NNW across the Well Fields 1 – 4. Photo below looks NW at the reclamation at WHED-6, which is typical of the reclamation observed at each well site.



Photo below shows the slightly subsided abandon hole in Well Nest 1. The lathe was placed in the hole to provide some indication of scale.

